

and speculation found encouragement in these conditions.

After the election of William H. Taft as President in the United States securities advanced to prices only slightly below the maxima of 1906 and 1907. The maximum cash holdings of the New York Clearing House banks were attained on August 29, 1908, when the amount was \$414,013,300, but an amount only about \$30,000,000 less had been reached as early as the middle of May. Even the autumn crop movement failed to reduce materially this mass of gold and legal-tender notes, although the surplus above legal requirements was gradually reduced by the expansion of loans, from \$66,098,800 on June 27th to \$28,130,650 on November 28th.

In Europe comparison of metallic reserves in November with those of the panic period showed increases at the Bank of England from ^"31,896,291 on November 13, 1907, to ^35,- 719,196 (\$174,100,000) on November n, 1908; at the Bank of France (gold only) from 2,709,200,000 francs (\$523,000,000) on November 21, 1907, to 3,354,300,000 francs (\$647,400,000) on November 19, 1908; and at the Imperial Bank of Germany from 729,805,000 marks (\$173,330,000) on November 14, 1907, to 1,093,094,000 marks (\$259,600,000) on November 14, 1908.

In all leading commercial countries developed a degree of reviving industrial activity which indicated that the effects of the crisis of 1907 were less far-reaching than previous ones, and tended to establish the principle that the capital invested in the machinery of the processes of current production had come to constitute a permanent fund of wealth, in comparison with which the amount affected or impaired by a single

financial disturbance was beaming a steadily
diminishing
ratio,

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